



COMMITTEE ON APPROPRIATIONS

Congresswoman Nita Lowey (D-NY), Ranking Member

FY2017 Continuing Resolution

Highlights and Key Points

The Fiscal Year 2017 Continuing Resolution consists of four divisions:

- Division A: FY2017 Military Construction and Veterans Affairs Appropriations Act
- Division B: Emergency Zika Assistance
- Division C: FY2017 Continuing Resolution
- Division D: Additional Rescissions

Division A: FY2017 Military Construction and Veterans Affairs Appropriations Act

2017 bill: \$82.5 billion (including OCO)

2017 OCO: \$172 million

2016 Enacted: \$79.9 billion

2016 OCO: ---

President's Request: \$82.7 billion (including OCO)

MILITARY CONSTRUCTION: \$7.7 billion, which is \$250 million more than the President's budget request, is provided for Military Construction programs.

- Total Military Construction funding for the Active Components is \$5 billion, which is \$17 million less than the request.
- The total funding for Reserve Components is \$672.6 million, which is \$122 million above the FY2016 enacted level and equal to the President's request.
- The bill fully funds the 2015 budget request for Family Housing construction at \$1.3 billion, which is \$84.4 million less than the FY2016 level.
- The bill provides \$240 million for the Base Realignment and Closure (BRAC) account, which is \$26 million less than the FY2016 level and \$35 million more than the President's budget request.
- The bill continues language preventing the transfer of detainees and prohibiting closure or realignment of Naval Station Guantanamo Bay Cuba.

VETERANS AFFAIRS: The bill includes \$74.4 billion in discretionary funding, which is \$2.9 billion above the 2016 level.

- As authorized by Congress in 2009, the VA medical services accounts are provided funding one year in advance, and the bill includes the budget request of \$66.4 billion in discretionary funding for the FY2018 advance appropriations for VA medical services.

- The bill includes \$1.3 billion for the current year budget request for medical services and Medical facilities, which is \$401 million less than the request level. This is in addition to the FY 2016 advance appropriation provided in the FY 2015 law.
- The bill provides \$675 million for Medical and Prosthetic Research, which is \$45 million above the FY 2016 enacted level and \$12 million above the President's request.
- The bill provides \$528 million for Construction, Major Projects, which is \$1.2 billion less than the FY2016 enacted level and equal to the President's request. The mark also continues restricting availability of funding for major construction projects costing more than \$100 million until VA certifies having obtained independent design and construction oversight for the project.
- The bill includes \$345 million for VA General Administration, which is \$8 million above the FY2016 enacted level and \$72.5 million below the President's budget request.
- The bill includes \$4.2 billion for VA Information Technology, which is \$144.8 million more than the FY2016 enacted level and equal to the President's request.

OTHER VA ISSUES:

- **In Vitro-Fertilization (IVF):** The bill makes IVF and adoption reimbursement available for veterans who were wounded in the line of duty. This language updates VA's regulations to mirror the DoD's, making IVF available to veterans and their spouses, if a veteran's injuries make natural conception difficult or impossible. The language also includes The Dickey-Wicker Amendment which prohibits the use of appropriated funds for the creation of human embryos for research purposes or for research in which human embryos are destroyed.
- **Confederate Flag Limitation:** The bill does not include the bipartisan limitation on the confederate flag being displayed on a flag pole at cemeteries under the jurisdiction of VA. However, in an August 23, 2016 letter, VA announced that it would amend its flag policy to make clear that the confederate flag will not be displayed from any permanently fixed flagpole in national cemetery at any time.
- **Electronic Health Records:** Consistent with previous Appropriations bills, the bill includes language requiring the VA to provide information on electronic health records system before release of the funding provided.
- **Disability Claims Backlog:** The bill continues monthly reporting requirements from regional offices on disability claims processing performance and quality reports on remediation efforts at the poorest performing regional offices.

Division B: Emergency Zika Assistance

The FY2017 Continuing Resolution contains \$1.1 billion for federal agencies to respond to the Zika virus in the continental United States, in U.S. territories, and in other nations.

The Continuing Resolution **does not include** poison pill provisions that were contained in the partisan Zika conference report passed by the House of Representatives on June 23rd.

- The CR **does not** prohibit Profamilias – Puerto Rico’s Planned Parenthood affiliate – from receiving federal funding to provide health services related to the Zika virus, including preventive services like contraception. Profamilias would be eligible for reimbursement by states and territories with funding provided through the Public Health and Social Services Emergency Fund (PHSSEF) and the Maternal and Child Health program.
- The CR **does not** include the text of the Reducing Regulatory Burdens Act of 2014, which would gut Clean Water Act permitting requirements by allowing unrestricted use of pesticides on or near waterways.

The Continuing Resolution provides:

- \$394 million to the Centers for Disease Control & Prevention (CDC) to support mosquito eradication, surveillance, laboratory testing, education & outreach, as well as to reimburse state and local public health departments.
- \$397 million to the National Institutes of Health (NIH) and the Biomedical Advanced Research and Development Authority (BARDA) to support advanced research and development of vaccines, therapeutics, and diagnostics.
- \$141 million to support health care services – including contraceptive services and maternal and child health services – to prevent the spread of Zika. Of this amount, at least \$126 million is reserved for Puerto Rico and the territories.
- \$145.5 million to support international health care services, including vector control activities and technologies, vaccines, diagnostics, and building up health care infrastructure.
- \$30 million for personnel costs for the Department of State and U.S. Agency for International Development, including evacuation and care for ill American diplomatic and development workers.

Division C: FY2017 Continuing Resolution

The Continuing Resolution will maintain government funding at its current spend rate through December 9, 2016.

FUNDING LEVEL

The Congressional Budget Office (CBO) scores a Continuing Resolution slightly above the Budget Control Act sequester cap for FY2017. Although sequestration only takes effect after Congress adjourns *sine die*, the CR addresses the matter with an across-the-board cut of 0.496% percent of all accounts, defense and non-defense.

GENERAL PROVISIONS

The CR includes standard language:

- Ensuring funding for appropriated entitlements continue at a rate maintaining program levels under current law;
- Allowing the State Department, USAID, BBG, and related agencies to expend funds in the absence of an authorization, and authorizing continuation of certain intelligence activities; and
- Directing agencies to spend conservatively, prohibiting new starts, and prohibiting the Department of Defense from entering into multi-year contracts or increasing production rates.

EMERGENCY FUNDING FOR NATURAL DISASTERS

The CR includes a provision providing \$500 million in emergency funding for Community Development Block Grants (CDBG) to respond to flooding in Louisiana, Texas, West Virginia, and other major declared disasters in 2016. This is a downpayment for what will ultimately be necessary to help communities recover.

ANOMALIES BY SUBCOMMITTEE

The CR includes many anomalies, or changes to current funding rates or policy. Many of these changes were requested by the White House Office of Management and Budget (OMB). Some of OMB's requests were not included.

Agriculture

- Ensuring the Rental Assistance program can meet certain higher costs and contracts.
- Allowing the Commodity Supplemental Food Program to spend at a higher rate to cover expected need.
- Ensuring that USDA can continue to make payments for agriculture programs that are funded through the Commodity Credit Corporation.

Commerce, Justice, Science

- Providing flexibility for the Department of Justice to fund new opioid grant programs.

Defense

- Providing \$95 million to develop, replace, and sustain security clearance background investigation IT system requirements.
- Extending authority for Security Cooperation in Iraq.

Energy & Water

- Allowing the Department of Energy to spend at a rate to avoid disruptions in ongoing decontamination and decommissioning projects, avoiding potential contractor layoffs.

Financial Services & General Government

- Providing authority for the District of Columbia to spend its own revenue through the duration of the CR under the terms and conditions of the FY2016 Omnibus.
- Allowing the Small Business Administration (SBA) funding flexibility to accommodate demand for 7(a) business loans.
- Providing \$7,582,000 in Presidential Transition Funding for the Executive Office of the President, \$9,500,000 for the General Services Administration (and turns off pre-election transition funding), and \$4,850,000 for the National Archives and Records Administration.
- Providing \$19,995,000 in Presidential Inaugural costs for the District of Columbia.
- Prohibiting funds for the SEC to require disclosure of political contributions, contributions to tax-exempt organizations, or dues paid to trade associations. This is a rider that was not carried in the Appropriations section of the FY2016 Omnibus.

Homeland Security

- Providing special acquisition authority for the Department of Homeland Security (DHS) to work with non-traditional government contractors for ongoing research and development projects.
- Clarifying that DHS is authorized to implement a new, common account structure beginning on October 1, 2016.
- Authorizing the apportionment of funds at a rate that allows TSA to continue employing the number of staff on board as of September 30, 2016.
- Authorizing the apportionment of funds at a rate that allows CBP to continue employing the number of staff on board as of September 30, 2016.

Interior

- Extending the authority to collect recreation fees under the Federal Lands Recreation Fee Enhancement Act.
- Extending authorization of the Dwight Eisenhower Memorial Commission.
- Providing the National Park Service an additional \$4.2 million for security and visitor safety activities related to the Presidential Inaugural Ceremonies.
- Providing the Bureau of Land Management an additional \$26 million for Permits to Drill for oil and gas development on Federal lands, to be offset by application fees.
- Providing the Environmental Protection Agency an additional \$3 million to implement activities required by the Chemical Safety for the 21st Century Act, which updates the Toxic Substance Control Act, to be offset by fees.

Labor, HHS, Education

- Extending Head Start and the Child Care and Development Block Grant (CCDBG) at current base funding levels.
- Extending authorization of the National Advisory Committee on Institutional Quality and Integrity (NACIQI).

- Crediting the FY2017 CR with full offsetting reduction from Children's Health Insurance Program (CHIP) rescission from FY2016 law.
- Providing flexibility for the Substance Abuse and Mental Health Services Administration (SAMHSA) to support newly authorized opioid prevention activities.

Legislative Branch

- Providing death gratuity payment to widow of Rep. Mark Takei (D-HI).

Military Construction and VA

- Providing flexibility for the Veterans' Health Administration to fund a new opioid grant program.

State & Foreign Operations

None

Transportation HUD

- Allowing Amtrak to execute its new budget account structure provided by the Fixing America's Surface Transportation (FAST) Act.
- Providing the Maritime Security Program with enough funding to maintain existing ships for the military's assured access to commercial vessels when they are needed.

Division D: Additional Rescissions

The CR includes \$400 million in budgetary savings through rescissions, including:

- \$168 million in rescissions from funding originally intended to help U.S. territories set up exchanges under the Affordable Care Act (ACA), which became unnecessary when Puerto Rico chose instead to expand its Medicaid program;
- \$117 million in rescissions from unobligated balances from Bilateral Economic Assistance and Operating Expenses related to the U.S. response to the Ebola outbreak, which will otherwise lapse on September 30th; and
- \$115 million in total rescissions from unobligated balances from prior disaster funding for the Federal Aviation Administration (FAA), Department of Transportation, Federal Emergency Management Administration (FEMA), National Oceanic and Atmospheric Administration (NOAA), Economic Development Administration, U.S. Coast Guard, Customs and Border Protection, and Department of Homeland Security.